

**MTSBA**"...fostering excellence in public education  
through  
school board leadership."

TO: House Education Committee

FROM: Lance Melton, Executive Director  
Montana School Boards Association

RE: House Bill 152

DATE: January 11, 2007

The Montana School Boards Association appreciates Representative Branae's introduction of HB 152, reflecting key aspects of the Superintendent of Public Instruction's funding priorities for K-12 public education in the 2007 Legislative Session. Like with any funding bill this session, our position on House Bill 152 is driven by the primary funding resolution adopted by our membership, a copy of which I have attached for your review and information. MTSBA has a difference of opinion with the state regarding the extent of additional funding necessary to adequately fund *all* grades and programs in our public schools. Regardless of that difference of opinion, MTSBA supports the necessity of annual adjustments to whatever funding formula is adopted by the state, which must be at least reflective of contemporary inflationary costs faced by our members. In considering these provisions of House Bill 152, MTSBA respectfully requests your support of the following amendments:

1. **Inflationary Adjustments to the Entitlements** – The inflationary adjustments to the entitlements in House Bill 152 are insufficient to account for contemporary inflation. Inflation as it existed from 3-6 years ago is not educationally relevant, nor is a 3% cap on such adjustments. Unfortunately, the present law adjustment process in current law is insufficient to account for school districts' increased costs of operation.

**Amendment Request:** We request that *all* entitlements that make up the state's distribution to school district general fund budgets be adjusted by 3.8% for both of the coming two years. This amount is the current CPI-U inflation amount, according to the Bureau of Labor Statistics.

2. **Quality Educator Payment Increase** – The State has contended that the quality educator payment is tied to the recruitment and retention issues referenced in the Court's decision in Columbia Falls Elementary v. State. Given that reference, it seems that the payment should be increased on an annual basis in an amount reasonably calculated to allow districts to cover a significant portion of costs associated with increases in salaries and the costs of employee benefits. House Bill 152 proposes to increase the payment by \$2,000 in year 1 and another \$120 increase for year 2 of the coming biennium.

**Amendment Request:** We request that the quality educator payment be increased by \$1,520 in the first year and by another \$1,577 in the second year of the coming biennium (which would raise the quality educator payment from \$2,000 to \$3,520 in the first year of the coming biennium and then to \$5,097 by the second year of the coming biennium).

This is based on an average teacher salary of \$40,000, with a 3.8%, CPI-U adjustment in each year of the coming biennium, which is what a typical school district will experience if it provides a 2% base adjustment to salaries, with the other 1.8% coming on account of the costs of steps and lanes. Although this proposed increase would not allow districts to cover the costs of increased benefits and would only allow coverage of salary costs if the entire amount were committed to educator salaries, the increase proposed by MTSBA does better reflect inflationary pressures than does the increase proposed in House Bill 152 as introduced.

Thank you for taking the time to consider MTSBA's testimony on House Bill 152. We will be available for any questions the committee may have and/or for any technical support in crafting amendments in which the committee may be interested.

Attachments: MTSBA Funding Resolution  
CPI-U Inflation Sheet

## **MTSBA FUNDING RESOLUTION - MAKE QUALITY EDUCATION THE PRIORITY**

WHEREAS, a quality education for all the children of Montana is of highest priority to the Montana School Boards Association; and

WHEREAS, the State of Montana has made progress toward restoring constitutionality to its system of funding Montana's public schools in compliance with the State's obligations under Article X of the Montana Constitution through funding increases and amendments to law in FY06 and FY07, but has not fully complied with the terms of the relevant court orders in *Columbia Falls Elementary v. State* and has not yet complied with the provisions of HB 152.

### **BE IT RESOLVED AS FOLLOWS:**

The Montana School Boards Association's Membership endorses the Montana School Boards Association's continued vigorous pursuit of the State's compliance with the terms of Article X of the Montana Constitution. The Montana School Boards Association must be a leader in ensuring that all children served in Montana's public schools are provided with access to an adequately funded basic system of free quality public elementary and secondary schools.

In pursuing the State's compliance with the terms of Article X of the Montana Constitution, the Montana School Boards Association's efforts should be focused on:

1. Enforcing the rights of children served in Montana's public schools as a named plaintiff in the case of *Columbia Falls Elementary v. State*, including the pursuit of enforcement of specific timelines for the state's compliance with its constitutional responsibilities; and
2. The pursuit and support of legislative and other remedies that include a focus on achieving:
  - a. Necessary changes to the current funding formula to address the current shortcomings in the formula;
  - b. Funding to empower local school districts in narrowing achievement gaps, complying with federal and state mandates and addressing the unique needs of all children served in Montana's public schools including gifted and talented students, through provision of an array of programs and services that education experts consistently report as important to improve at-risk performance, such as:
    - i. Early childhood education (e.g. full day kindergarten, lower class sizes in the primary grades);
    - ii. Before school, after school and summer programs;
    - iii. Tutoring;
    - iv. Reduction in class size and alternative learning programs for at-risk students;
    - v. Gifted and talented curriculum and programs as detailed in HB 152, in statute, and in Montana accreditation standards.
    - vi. Programs to enhance teacher professional development.
    - vii. Support funding for students who have not turned 20 by September 10<sup>th</sup> and have yet to complete the school district's graduation requirements.
  - c. An assurance of stable funding and support for implementation of Indian Education for All in Montana's public schools;
  - d. An improvement in salaries and benefits for employees of Montana's public schools with a focus on recruiting and retaining high quality educators and classified staff;
  - e. Facilities adequate to support the programs required for quality education including both operational and capital costs, and including pre-bond facility programming;
  - f. Any tax reform that may be necessary to ensure that the State has the capacity to comply with its constitutional responsibilities for K-12 public education.

**Bureau of Labor Statistics' CPI-U Sheet**

**Consumer Price Index - All Urban Consumers**

<b>Year</b>	<b>Jan</b>	<b>Feb</b>	<b>Mar</b>	<b>Apr</b>	<b>May</b>	<b>Jun</b>	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>	<b>Oct</b>	<b>Nov</b>	<b>Dec</b>	<b>Annual</b>	<b>HALF1</b>	<b>HALF2</b>
<b>2002</b>	1.1	1.1	1.5	1.6	1.2	1.1	1.5	1.8	1.5	2.0	2.2	2.4	1.6	1.3	1.9
<b>2003</b>	2.6	3.0	3.0	2.2	2.1	2.1	2.1	2.2	2.3	2.0	1.8	1.9	2.3	2.5	2.0
<b>2004</b>	1.9	1.7	1.7	2.3	3.1	3.3	3.0	2.7	2.5	3.2	3.5	3.3	2.7	2.3	3.0
<b>2005</b>	3.0	3.0	3.1	3.5	2.8	2.5	3.2	3.6	4.7	4.3	3.5	3.4	3.4	3.0	<b>3.8</b>
<b>2006</b>	4.0	3.6	3.4	3.5	4.2	4.3	4.1	3.8	2.1	1.3	2.0			<b>3.8</b>	